



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

August 27, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", written over a horizontal line.

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## SACRAMENTO UPDATE

This memorandum contains pursuits of County positions on legislation related to the extension of disability benefit time for public safety officers and the collection of taxes, fees and surcharges for prepaid telephone calling cards and wireless services.

### Pursuit of County Position on Legislation

**AB 2397 (Solario)**, which as amended on August 8, 2010, would allow a public safety officer, such as a peace officer or firefighter, to negotiate through the collective bargaining process to extend the one-year disability time off, also known as 4850 benefit time, to up to one additional year.

The Chief Executive Office (CEO) Employee Relations Branch indicates that AB 2397 would negatively affect the County because a second year of 4850 benefit time would be very costly and would significantly increase time off by staff and associated salary costs incurred by the County. Benefits received under 4850 time are tax free and employees receive more pay while disabled than when they return to work. The employee is entitled to such paid leave even though their condition is permanent and would prevent the employee from returning to work on a permanent basis. According to the CEO's Employee Relations, the one-year full salary of 4850 time under current law is already a considerable benefit. It is estimated that the workers' compensation cost to the County as a result of AB 2397 could be approximately \$12.5 million annually.

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The proposed 4850 benefit time under AB 2397 and the two years of regular temporary disability that public safety officers are entitled to means that an officer can be paid for up to four years after an injury without having to return to work, which would result in substantial costs to local governments.

The Chief Executive Office opposes AB 2397. Therefore, consistent with existing Board policy to oppose proposals that expand existing, or create new benefits, and policy to oppose legislation that mandates, or authorizes compensation or benefit changes, that increase County costs, **the Sacramento advocates will oppose AB 2397.**

AB 2397 is supported by Peace Officers Research Association of California, the Applicants' Attorneys Association, the California Fire Fighters Association, the California Nurses Association/National Nurses Organizing Committee, the California State Association of Electrical Workers, the California State Pipe Trades Council and the Western States Council of Sheet Metal Workers. The measure is opposed by the California Association of Joint Powers Authorities, the Coalition on Workers Compensation and the California State Association of Counties Excess Insurance Authority.

AB 2397 passed the Assembly Floor by a vote of 50 to 13 on August 23, 2010. This measure now proceeds to the Governor.

**AB 2545 (De La Torre)**, which as amended on August 17, 2010, would require the California Public Utilities Commission (CPUC) to conduct a series of public meetings for the purpose of developing recommendations for collecting State and local government taxes, fees, and surcharges, including any local Utility Users Tax, for prepaid telephone calling cards and wireless services.

Under current law, every local public agency is required to establish and operate an emergency 911 system. State and local 911 telephone facilities are funded through the Emergency Telephone Users Surcharge Act, which imposes a surcharge for intrastate telephone services. The author of AB 2545 states that the intent of this measure is to ensure that the prepaid wireless sector of the telecommunications market shares in the responsibility of funding 911 services.

AB 2545 would require the CPUC to begin the public review process no later than 60 days after the effective date of this measure. The review would include any and all taxes, fees and surcharges on communication services imposed by the State or local governments, including the local Utility Users Tax. Groups participating in the review process would include: State and local representatives, local law enforcement agencies, telecommunications companies, taxpayer groups, retail associations, consumer advocacy organizations, and any other public or private entities deemed appropriate by the CPUC. The recommendations would include: 1) a mechanism to

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collect taxes, fees and surcharges; 2) the point of collection; 3) the entity or entities appropriate to conduct the collection; 4) State and local administrative costs; and 5) the date or dates on which the recommendations would be effective.

Unlike the other taxes, fees and surcharges that would be reviewed under the provisions of AB 2545, the local Utility Users Tax is a charge on transactions, some of which may be communications-related. This tax is specifically targeted to meet local needs and may be imposed on utilities such as electricity, gas, water, sewer or telecommunications. The local Utility Users Tax must be approved by local voters at rates set by each community and may be used to fund local police, fire, and other services in cities and unincorporated areas of the County. The local Utility Users Tax is a local general-purpose tax and should not be included in the broad review of taxes, fees and surcharges on prepaid telecommunications services that the CPUC would be required to conduct under the provisions of AB 2545.

The Chief Executive Office opposes AB 2545. Therefore, consistent with existing Board policy to oppose proposals that would jeopardize control of locally-imposed fees or taxes, **the Sacramento advocates will oppose AB 2545.**

AB 2545 is supported by the California State Sheriff's Association and Peace Officers Research Association of California. The measure is opposed by AT&T, the City of Los Angeles, and the League of Cities, and opposed unless amended by the California State Association of Counties and CTIA – The Wireless Association.

AB 2545 is awaiting a vote on the Senate Floor.

We will continue to keep you advised.

WTF:RA  
MR:VE:RM:er

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants